



Philadelphia U. S. District Court Determines Uber Drivers Are Independent Contractors

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On the heels of a San Francisco U.S. Magistrate Judge's February 2018 ruling in *Lawson v. Grubhub Inc.* that Grubhub food delivery workers are independent contractors, Judge Michael Baylson of the U.S. District Court for the Eastern District of Pennsylvania has held that Uber limousine drivers are likewise independent contractors under federal law.

This is the first ruling regarding the classification of Uber drivers under federal law and it is surely to have a large impact on the ride-sharing industry. The Philadelphia case, *Razak v. Uber Techs., Inc.*, was filed in February 2016. The plaintiffs, seeking to represent all drivers in Philadelphia for Uber's limousine service, UberBLACK, argued that Uber failed to pay them overtime and minimum wage in violation of the Fair Labor Standards Act (FLSA).

The FLSA sets minimum wage, overtime and recordkeeping standards and only applies to employees, not independent contractors. Judge Baylson held that Uber does not exercise enough control over its limo service drivers for them to be deemed employees under the FLSA. The drivers have the flexibility to work when they want to, where they want to and are free to tend to personal matters in between rides.

To date, the majority of the cases involving Uber drivers' classification have been sent to arbitration. However *Razak* deals with plaintiffs who opted out of signing the company's arbitration agreement; as a result, this is the first federal court to deliberate whether Uber drivers are accurately classified as independent contractors. This decision, like the *Grubhub* decision, will have wide application and is setting precedent for employee classification for the entire ride-sharing industry. The case is *Razak v. Uber Technologies Inc.*, U.S. District Court for the Eastern District of Pennsylvania, Case No. 2:16-cv-00573.